

Railroad Unemployment and Sickness Benefits

U.S. Railroad Retirement Board

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Mission Statement

The primary mission of the Railroad Retirement Board is to administer the Railroad Retirement and Railroad Unemployment Insurance Acts, and to assist in the administration of the Social Security Act and the Internal Revenue Code.

Policy Statement on Quality

In carrying out our mission, the Railroad Retirement Board will strive to pay benefits to the right people, in the right amounts, in a timely manner, treat every person who comes into contact with the agency with courtesy and concern, and respond to all inquiries promptly, accurately, and clearly. The Railroad Retirement Board will maintain a work environment characterized by teamwork, respect, and a commitment to doing the job right the first time.

This pamphlet is issued for the purpose of general information. Certain limitations, exceptions, and special cases are not covered.

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Introduction

The Railroad Unemployment Insurance Act provides two kinds of benefits for railroad employees: unemployment benefits, when you are not working but are ready, willing and able to work; and sickness benefits, when you are unable to work because of illness or injury. Sickness benefits are also payable to female employees unable to work because of pregnancy, miscarriage, or childbirth.

Benefit payments are based on biweekly claims filed with the Railroad Retirement Board, the Federal agency responsible for administering the Railroad Unemployment Insurance Act.

The funds to pay unemployment and sickness benefits are provided by payroll taxes on railroad employers only. Employees do not pay unemployment insurance taxes.

This booklet reflects the October 1996 legislation which increased the railroad unemployment and sickness insurance daily benefit rate, revised the formula for indexing future

benefit rates, and reduced initial benefit waiting periods. The legislation also applied an earnings test to some unemployment claims and reduced the maximum extended benefit period for long-service employees.

The following describes the requirements for railroad unemployment and sickness benefits, the amounts payable, and how to claim them.

For more information about railroad unemployment and sickness benefits or any other program of the railroad retirement system, contact the nearest office of the Railroad Retirement Board. To locate the nearest Board office, look in the telephone directory under “United States Government,” or check with your union representative, a rail employer, a local post office, or the nearest Federal Information Center. Most Board offices are open to the public from 9:00 a.m. to 3:30 p.m., Monday through Friday.

Also, railroad unemployment and sickness insurance claimants can now access claim and benefit information through a toll-free

phone system. Claimants calling the new RRB Help Line at 1-800-808-0772, from either a touch tone or rotary phone, are able to select various information options from a voice menu. While general information is available to all callers, those wishing to access specific claim and benefit information are required to enter a social security number and a personal identification number (PIN). Claimants are advised of their PINs in a message printed on unemployment and sickness claim forms issued by the Board.

At present, only information on railroad unemployment and sickness insurance is available through the toll-free system. For information on retirement and survivor benefits, claimants should still contact the Board field office nearest them.

In addition, information on the Board can now be accessed through the Board's Web Site on the Internet. Information is available on benefit requirements, customer service standards, field office locations, and other topics of interest to both active and retired railroad employees.

Anyone with a computer, modem and an Internet or commercial on-line account can get information on the Board's operations and programs 24 hours a day, seven days a week. Persons can access the Board's site through their Web browser software by typing in the address <http://www.rrb.gov>.

Base Year-Benefit Year

A new benefit year for unemployment and sickness benefits begins every July 1. To qualify in the benefit year that began July 1, 1996, you must have had base year railroad earnings of at least \$2,125 in calendar year 1995, not counting earnings over \$850 per month. To qualify in the benefit year beginning July 1, 1997, you must have base year earnings of \$2,162.50 in calendar year 1996, not counting earnings of more than \$865 per month. To qualify in the benefit year beginning July 1, 1998, you must have base year earnings of \$2,225 in calendar year 1997, not counting earnings of more than \$890 per month. If the base year was your first year of railroad service, you must also have worked in five months of that year.

If you do not meet these requirements but have at least 10 years of service, you might still be able to qualify under the conditions described on the following pages for extended and accelerated benefits.

Biweekly Benefits

The maximum daily benefit payable in benefit year 1996-97 is \$42 and, for biweekly claims, maximum benefits can total \$420. The daily benefit rate will increase to \$43 in July 1997, to \$44 in July 1998, and may increase at the beginning of each future benefit year depending on the growth in average national wages. Sickness benefits payable for the first six months after the employee last worked are subject to tier I railroad retirement payroll taxes, unless benefits are being paid for an on-the-job injury.

Registration and waiting period.-- Benefits are normally paid for the number of days of unemployment or sickness over four in 14-day registration periods. Initial sickness claims must also begin with four consecutive days of sickness. However, during the first 14-day claim period in a benefit year,

benefits are only payable for each day of unemployment or sickness in excess of seven which, in effect, provides a one-week waiting period. But, only one seven-day waiting period is required during any period of continuing unemployment or sickness, even if that period continues into a subsequent benefit year.

Strike benefits.--If you are unemployed because of a strike not in violation of the Railway Labor Act, benefits are not payable for days of unemployment during the first 14 days of the strike. However, benefits are payable during subsequent 14-day periods. If a strike is in violation of the Railway Labor Act, unemployment benefits are not payable to employees participating in the strike. However, employees not among those participating in such an illegal strike, but who are unemployed on account of the strike, may receive benefits after the first two weeks of the strike.

While a benefit year waiting period cannot count toward a strike waiting period, the 14-day strike waiting period may count as the

benefit year waiting period if you subsequently become unemployed for reasons other than a strike later in the benefit year.

Duration of Benefits

Normal benefits.-- Normal benefits are paid for up to 130 days (26 weeks) in a benefit year. Benefit rights are exhausted when a benefit year ends (normally June 30) or earlier if benefit payments equal base year creditable earnings. For purposes of determining maximum normal benefits payable in benefit year 1996-97, monthly earnings of up to \$1,098 in base year 1995 are counted. In benefit year 1997-98, monthly earnings of up to \$1,117 in base year 1996 will be counted. In benefit year 1998-99, monthly earnings up to \$1,150 in base year 1997 will be counted.

Extended benefits.--If you have 10 or more years of service and exhaust your normal unemployment or sickness benefits, you may be eligible for 13 consecutive weeks of extended benefits. Also, if you are not qualified for normal benefits in the current benefit year, but received normal benefits in the previous year,

you may still be eligible for extended benefits.

In order to qualify for extended unemployment benefits, you must not have voluntarily quit work without good cause and not have voluntarily retired. To qualify for extended sickness benefits, you must not have voluntarily retired and must be under age 65.

Accelerated benefits.-- If you have 10 or more years of service and your earnings do not qualify you for unemployment or sickness benefits in the current benefit year, but will qualify you in the next benefit year, you may be able to receive normal unemployment or sickness benefits before the regular beginning date of the next benefit year. To be eligible, you must have 14 or more consecutive days of either unemployment or sickness; not have voluntarily retired or quit work without good cause if claiming unemployment benefits; and be under age 65 when claiming sickness benefits.

General Requirements

To be eligible for unemployment benefits, you must be able to work and be available for work. A “day of unemployment” is a day on which you meet these conditions and do not receive any pay, are not disqualified, and have properly registered for unemployment benefits. If you are in train and engine service, any calendar day on which you do not work solely because of a mileage limitation or work-restriction agreement or solely because you are between regularly assigned trips or tours of duty, or because you missed a turn in pool service, is not considered a day of unemployment.

To be eligible for sickness benefits, you must be unable to work because of illness or injury. A day of sickness is a day on which you meet this condition and for which you do not receive any pay and have filed a “statement of sickness” signed by your doctor or other authorized individual, which provides evidence of your medical condition and its expected duration.

You may not receive benefits for any day for which you receive pay. This includes wages, salary, pay for time lost, pay while sick, dismissal allowances, most wage guaranty payments, vacation pay, holiday pay, or remuneration other than subsidiary remuneration.

However, payments received under a supplemental unemployment or sickness insurance plan, your own health or accident insurance policy or a group insurance policy will not affect entitlement to unemployment or sickness benefits and should not be reported on your claims.

Also, an earnings test is applied to unemployment claims. If a claimant's earnings for days worked, and/or days of vacation or paid leave, in a 14-day registration period are more than a certain indexed amount, no benefits are payable for *any* days of unemployment in that period. For the benefit year that began July 1996, the earnings test is \$850; for the benefit year that begins July 1997 the test will be \$865; and for the benefit year that begins July 1998 the test will be \$890. These

amounts correspond to the base year monthly compensation amounts used in determining eligibility for benefits in each year.

On the other hand, earnings averaging not more than \$15 a day from work which is substantially less than full-time and not inconsistent with the holding of normal full-time employment may be considered subsidiary remuneration and may not prevent payment of any days in a claim. *However, be sure to report all full and part-time work on your claims, regardless of the amount of your earnings*, so the Board can determine whether it affects your benefits.

How to Claim Unemployment and Sickness Benefits

In order to receive *unemployment benefits*, you must obtain an application from your employer, labor organization, local Railroad Retirement Board office or the Board's Web Site. The completed application should be mailed to the local Board office as soon as possible and, in any case, must be filed within 30 days of the date on which you became unemployed or the first day

for which you wish to claim benefits. Benefits may be lost if the application is filed late.

The local Board office reviews the completed unemployment application and notifies your railroad employer. Your employer has the right to provide information about your benefit application. Biweekly claim forms are then mailed to you as long as you remain unemployed and eligible for benefits.

Only one application need be filed during a benefit year even if you become unemployed more than once. In that case, you must request a new claim form from a local Board office within 30 days of becoming unemployed.

An application for *sickness benefits* can be obtained from railroad employers, railroad labor organizations, any Board office or the Board's Web Site. An application and a doctor's statement of sickness are required at the beginning of each period of continuing sickness for which benefits are claimed. The Board suggests that you keep an application form on hand for use in

claiming sickness benefits, and that your family knows where the form is kept and how to use it.

If you become unable to work because of sickness or injury, complete your application and take or send it to your doctor for completion of the statement of sickness.

If you are too sick to complete the application, someone else may do it for you. In such cases, a member of your family should also complete the “Statement of Authority to Act for Employee,” which accompanies the statement of sickness.

After completion, the forms should be mailed to the Board’s headquarters in Chicago by the seventh day of illness or injury for which benefits are claimed.

After the Board receives your application and statement of sickness and determines eligibility, biweekly claim forms are mailed to you for completion and return to a Board field office for processing.

Payments.--In most cases, your first benefit payment for unemployment or sickness will be

received in about three weeks from the date you became unemployed or sick.

If you file an application for benefits you may expect to receive a claim form, or a decision on your application, within 15 days of the date a Board office receives the application. When you file your biweekly claims, you may expect to receive a payment, or a decision on your claim, within 15 days of the date a Board office receives the claim form.

However, some claims for benefits may take longer to handle than others if they are more complex, or if a Board office has to get information from other people or organizations. If this happens, you may expect an explanation and an estimate of the time required to make a decision.

The normal method of payment for railroad unemployment and sickness benefits is by Direct Deposit. With Direct Deposit, payments are issued directly to a claimant's bank, savings and loan, credit union or other financial institution. Applicants for

unemployment and sickness benefits are asked to provide information needed for Direct Deposit enrollment. Benefits will be paid by check only if an applicant does not have a checking or savings account.

Claimants can conveniently check on the status of their claims or payments at any time by calling the toll-free RRB Help Line at 1-800-808-0772. The Help Line is an automated telephone service available 24 hours a day, 7 days a week.

Free Placement Service

The Railroad Unemployment Insurance Act authorizes the Board to operate a free placement service. The primary purpose of the placement service is to secure new employment for experienced railroad workers who have lost their jobs.

When you apply for unemployment benefits you also apply for employment service. You will probably be interviewed by a Board representative who will try to help you secure employment if you do not have good prospects of returning to your former job. You

may be referred by the representative to a suitable railroad job; otherwise, an effort will be made to place you in a nonrailroad job for which you appear qualified. As part of its placement service, the Board maintains a list of job openings reported by railroads to its field offices. The list is available for review at all offices of the Board.

Disqualifications

If you have been paid a separation allowance by your employer, you cannot receive unemployment or sickness benefits for roughly the period of time it would have taken to earn the amount of the allowance.

If you leave either your railroad job or nonrailroad job voluntarily without good cause, you will be disqualified for railroad unemployment benefits until you have returned to railroad work and earned wages sufficient to qualify for benefits again.

If you leave work voluntarily with good cause, you will be disqualified for unemployment benefits for periods in which you

could receive unemployment benefits under another law.

If you refuse to accept suitable work, or fail to follow instructions to apply for work or to report to a Board office for an interview, you may be disqualified for unemployment benefits for 30 days.

You will be disqualified for unemployment benefits for any day on which you take part in a strike which began in violation of the Railway Labor Act or in violation of the established rules and practices of your labor organization.

You may be disqualified for sickness benefits if you fail to take a medical examination when required by the Board.

You will be disqualified for both unemployment and sickness benefits for 75 days if you make a false or fraudulent statement or claim in order to get benefits. You may also be subject to fine or imprisonment. The Railroad Retirement Board conducts checks with Federal agencies and all 50 States as well as railroads in order to detect fraudulent benefit claims, and the Board also conducts checks with physicians to

verify the accuracy of medical statements supporting sickness benefit claims.

Receipt of Other Benefits

If you receive a regular retirement or survivor benefit under the Railroad Retirement Act, Social Security Act, or any other social insurance law for days for which you are also entitled to benefits under the Railroad Unemployment Insurance Act, your unemployment or sickness benefits are payable only to the extent to which they exceed the other payments for those days. Examples of other such social insurance payments are military pensions, firefighters' and police pensions, or workers' compensation payments. *Claimants should report all such other payments promptly to avoid having to refund benefits later.*

There is no reduction in unemployment or sickness benefits for benefits paid under a nongovernmental sickness insurance plan, such as a supplemental sickness benefit plan established by a railroad. Similarly, there is no reduction in benefits if you receive supplemental unemployment benefits under a nongovernmental

unemployment benefit plan. But unemployment and sickness benefits provided under the Railroad Unemployment Insurance Act are not payable to you if you also receive Federal/State unemployment or sickness benefits under other laws, including Canadian law, for the same period of time.

Damages

If you receive sickness benefits for an injury or illness for which you also are paid damages, the Board is entitled to reimbursement of either the amount of the benefits paid for the injury or illness, or the net amount of the settlement after deducting your medical, hospital, and legal expenses, whichever is less.

Protective Allowances

Unemployment benefits can sometimes be paid even though you are covered by a job protection plan which guarantees you a certain amount of work or wages each month. However, if you receive a protective allowance from your employer for a period for which benefits were paid, some or all of the

benefits will have to be refunded. Such allowances should be reported promptly to the Board.

Appeals

Employers have the right to appeal claims of their employees, but such appeals do not prevent timely payment of benefits. However, employees may be required to repay benefits if their employers' appeals are successful.

Employees.--If you disagree with a decision made on your claim, you have 60 days from the date of the initial notice of the decision in which to file a written statement requesting reconsideration from the Board office that made the decision. This step is mandatory before a decision may be appealed to the Board's Bureau of Hearings and Appeals. Failure to request reconsideration within 60 days will result in forfeiture of further appeal rights.

If the case involves a benefit overpayment, you also have 60 days from the initial notice of the overpayment to request a waiver of repayment. However, a request for waiver filed within 30 days will, in

certain cases, defer recovery of the overpayment from subsequent benefit payments. If you request waiver, you may be asked to complete a financial statement on a form provided by the Board. If dissatisfied with the reconsideration or waiver decision of a Board office, you may, within 60 days, appeal to the Board's Bureau of Hearings and Appeals.

If not satisfied with the Bureau of Hearings and Appeals' decision, you may further appeal, within 60 days, to the three-member Board.

If not satisfied with the three-member Board's decision, you may file a petition for a review of your claim by a U.S. Court of Appeals. A petition for review must be filed within 90 days of the notice of the Board's decision.

Income Taxes

Unemployment benefits paid by the Board are subject to Federal income taxes, just like unemployment benefits paid under the State government programs.

Sickness benefits paid by the Board, except for sickness benefits

resulting from on-the job injuries, are subject to Federal income tax under the same limitations and conditions that apply to the taxation of sick pay received by workers in other industries.

The Railroad Unemployment Insurance Act specifically provides that railroad unemployment and sickness benefits are not subject to State income taxes. Each year, the Board sends railroad employees Form 1099-G showing the total amount of unemployment benefits paid during the previous year and/or a Form W-2 showing the net amount of sickness benefits paid.

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NONDISCRIMINATION ON THE BASIS OF DISABILITY

Under Section 504 of the Rehabilitation Act of 1973 and Railroad Retirement Board regulations, no qualified person may be discriminated against on the basis of disability. The Board's programs and activities must be accessible to all qualified applicants and beneficiaries, including those who are vision or hearing-impaired. Disabled persons needing assistance (including auxiliary aids or program information in accessible formats) should contact the nearest Board office. Complaints of alleged discrimination by the Board on the basis of disability must be filed within 90 days in writing with the Director of Equal Opportunity, Railroad Retirement Board, 844 North Rush Street, Chicago, Illinois 60611-2092. Questions about individual rights under this regulation may be directed to the Board's Director of Equal Opportunity at the same address.

FRAUD AND ABUSE HOT LINE

Call the toll-free Hot Line if you have reason to believe that someone is receiving railroad unemployment or sickness benefits to which he or she is not entitled. The Hot Line has been installed by the Railroad Retirement Board's Inspector General to receive any evidence of such fraud or abuse of the Board's benefit programs.

The toll-free Hot Line number nationwide is 1-800-772-4258. Or you may send your complaints in writing to: RRB, OIG, Hot Line Officer, 844 North Rush Street, Chicago, Illinois, 60611-2092. Please do not call the Inspector General's Hot Line with questions about eligibility requirements, delayed claims, or similar problems. Such matters should be directed to the nearest Railroad Retirement Board office.

U.S. Railroad Retirement Board
844 North Rush Street
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